

SUMMARY

The Office of Natural Gas and Petroleum Import and Export Activities prepares quarterly reports summarizing the data provided by companies authorized to import or export natural gas. Companies are required, as a condition of their authorizations, to file quarterly reports. This report is for the first quarter of 1997 (January through March).

Attachment A shows the percentage of takes to maximum firm contract levels and the weighted average per unit price for each of the long-term importers during the five most recent reporting quarters.

Attachment B shows volumes and prices of gas purchased by long-term importers and exporters during the past 12 months.

Attachment C shows volume and price information pertaining to gas imported on a short-term or spot market basis.

Attachment D shows the gas exported on a short-term or spot market basis to Canada and Mexico.

First Quarter Highlights: Although the volume of Canadian gas imports declined slightly from its historic high level in the preceding quarter (by 1.7 percent or from 757.3 to 744.7 Bcf), **total** imports from all sources set a record high this quarter at 772 Bcf, exceeding the record set last quarter (771 Bcf). The highest level of Mexican imports (7 Bcf) since 1984 and the highest level of LNG imports (20.2 Bcf) in the past three years were instrumental in setting this new record. The price of gas exported to Mexico in January reached a record high for the decade at \$4.03 per MMBtu.

First Quarter Data: Long-term imports for the quarter totaled 372.1 Bcf, representing a one percent increase over the first quarter of 1996. Long-term Canadian imports totaled 355.1 Bcf, which is one percent less than the first quarter of 1996. The average price of these supplies was \$2.74 per MMBtu, which was 20 cents or 8 percent higher than the preceding quarter. Under other long-term import arrangements, Distrigas Corporation imported 12.6 Bcf of Algerian LNG at an average landed price of \$2.85 per MMBtu and PanEnergy imported 4.4 Bcf of Algerian LNG at \$2.00 per MMBtu (tailgate price).

During the first quarter, 104 companies used **short-term authorizations to import** 399.8 Bcf of gas. This volume represents a 7.4 percent increase compared to the short-term imports of the

first quarter of 1996 (372.2 Bcf). Of the total imported this quarter, 389.6 Bcf were imported from Canada at an average price of \$2.21 per MMBtu (compared to \$2.04 per MMBtu in the fourth quarter), and 7 Bcf were imported from Mexico at an average price of \$2.30 per MMBtu. Under short-term LNG import contracts, Distrigas imported 2.4 Bcf from Abu Dhabi and PanEnergy imported 0.8 Bcf from Algeria.

Approximately 40 percent of the **short-term Canadian imports** occurred at Eastport, Idaho, at an average price of \$1.71 per MMBtu; 18 percent at Sumas, Washington, at \$2.07 per MMBtu; 14 percent at Port of Morgan, Montana, at \$2.33 per MMBtu; 13 percent at Noyes, Minnesota, at \$2.82 per MMBtu; 5 percent at Niagara Falls, New York, at \$3.31 per MMBtu; 3 percent at Waddington, New York, at \$2.86 per MMBtu; 3 percent at Grand Island, New York, at \$3.62 per MMBtu; and 4 percent at various other entry points, at \$2.38 per MMBtu.

In addition, 30 **short-term export** authorizations were used, exporting a total of 25 Bcf of gas. Thirteen authorizations were used to export 19.5 Bcf to Canada, at an average price of \$2.76 per MMBtu. Under 16 authorizations, 5.4 Bcf was exported to Mexico at an average price of \$2.80 per MMBtu. Finally, 0.1 Bcf of LNG was exported to Japan at an average price of \$3.97 per MMBtu (delivered).

Year to Date Data: Comparing the first quarter of 1996 with this quarter, gas imports increased 4.4 percent or by 32.5 Bcf (772 v. 739.5 Bcf). Canadian imports increased by 2.3 percent (744.8 v. 728.4 Bcf); Mexican imports doubled (7 v. 3.5 Bcf); and LNG imports increased nearly 166 percent (20.2 v. 7.6 Bcf). During the same time period, total exports declined by 8.6 percent (41.7 v. 45.6 Bcf). Exports to Canada decreased by 12.6 percent (19.5 v. 22.3 Bcf); exports to Mexico decreased by 16.9 percent (5.4 v. 6.5 Bcf); and LNG exports remained the same at 16.8 Bcf for both time periods.

This quarter's **focus report** is "1996 Natural Gas Import/Export Trade: A Second Look." The quarterly report and any future revisions to the report will be resident on our Electronic Bulletin Board at (202) 586-7853 or on the Fossil Energy Web Site at <http://www.fe.doe.gov>. Any questions or comments concerning this report should be directed to Yvonne Caudillo at (202) 586-4587 or by E-mail at yvonne.caudillo@hq.doe.gov.